



Doing Business in Brunei Darussalam: 2010

Country Commercial Guide for U.S. Companies

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- [Chapter 1: Doing Business In Brunei Darussalam](#)
- [Chapter 2: Political and Economic Environment](#)
- [Chapter 3: Selling U.S. Products and Services](#)
- [Chapter 4: Leading Sectors for U.S. Export and Investment](#)
- [Chapter 5: Trade Regulations and Standards](#)
- [Chapter 6: Investment Climate](#)
- [Chapter 7: Trade and Project Financing](#)
- [Chapter 8: Business Travel](#)
- [Chapter 9: Contacts, Market Research and Trade Events](#)
- [Chapter 10: Guide to Our Services](#)

Chapter 1: Doing Business In Brunei Darussalam

- [Market Overview](#)
- [Market Challenges](#)
- [Market Opportunities](#)
- [Market Entry Strategy](#)

Market Overview

[Return to top](#)

- Brunei Darussalam is a Southeast Asian oil-rich sultanate on the northern coast of Borneo. A British protectorate until 1984, it boasts a well-educated and largely English-speaking population, excellent infrastructure, and a government intent on bringing foreign investment and projects to Brunei.
- Despite repeated calls for diversification, Brunei's economy remains overwhelmingly dependent on the income derived from sales of oil and gas, which represents 97.8% of Brunei's total exports and 70.1% of gross domestic product (2008). Additionally, substantial revenue from overseas investment supplements income from domestic production, and these two revenue streams provide a comfortable quality of life for Brunei's population. At B\$51,300 (US\$36,643), per capita GDP is among the highest in Asia; citizens pay no taxes and receive free education through to the university level as well as free medical care and, frequently, subsidized housing.
- Brunei's central regional location, with excellent telecommunications and airline connections, no personal income, sales or export taxes, and its stable political situation offer a welcoming climate for would-be investors. Foreign businesses exporting goods and services enjoy a renewable ten-year corporate tax holiday while those competing in the domestic market can receive exemptions of up to eight years. Additionally, a low crime rate, good schools, housing and sports facilities as well as low utility costs make Brunei an attractive location for short and long-term residence.
- Brunei has no debt, domestic or foreign, and has not been the recipient of economic aid. Despite importing most consumer goods and food, Brunei's large oil exports maintain a positive trade balance. Higher prices of goods has caused inflation to increase to 2.7% in 2008, compared to 0.3% in 2007. The Brunei dollar is pegged to the Singapore Dollar, which is also widely accepted throughout the sultanate.

Market Challenges

[Return to top](#)

- Brunei's local market is relatively small and most foreign investors will need to find a local partner to enter the market. U.S. businesses / investors should expect delays when dealing with the local government.

Market Opportunities

[Return to top](#)

- Formed in 2002, the Brunei Economic Development Board promotes Brunei as an investment destination to stimulate and develop the domestic economy away from dependence on oil and gas revenues. Headed by Dato Paduka Mr. Timothy Ong Teck Mong, Acting Chairman, and Mr. Vincent Cheong, CEO, BEDB is also responsible for shaping government policies for foreign investment, marketing, incentives and promotion.
- The BEDB proposed a five-year B\$7.3 billion (US\$4.5 billion) infrastructure development strategy in January 2003. As pieces are implemented, it could offer U.S. firms significant technical, construction, and expansion opportunities. The plans include a US\$3 billion industrial site at Sungai Liang and a US\$1.5 billion Mega Port at Pulau Muara. The proposed industrial site will include a US\$400 million power plant, relying on the sultanate's natural gas resources, an aluminum smelter and downstream projects, as well as a port, free trade zone and supporting infrastructure. The Government of Brunei is in various stages of negotiation with investors on those projects. Construction of a methanol plant at Sungai Liang began in mid-2007 with commercial operation expected to start in the first quarter of 2010. In January 2008, a Memorandum of Understanding was signed for a viability study for the construction and operation of an export-oriented oil refinery and storage facility on Pulau Muara Besar. In October 2008, implementation of the development of Pulau Muara Besar as a deepwater container port, export processing zone and manufacturing hub began with the signing of the port operator MOU with International Container Terminal Services Inc (ICTSI) from the Philippines and the Master Planner agreement with Surbana consortium from Singapore. The BEDB has also launched several National Housing supply and infrastructure projects.
- Additionally, the BEDB has announced significant incentives and loans to encourage other investment and projects from abroad. International consultancies have confirmed the potential for tourism, financial services, aircraft maintenance support, and software development in the sultanate. The Brunei government hopes that foreign direct investment will become a significant driver in the local economy.
- The Government of Brunei has established several agencies to promote foreign investment. In addition to BEDB, the Brunei Industrial Development Authority

(BINA) has developed several industrial parks near the Muara Port and in other parts of Brunei close to transportation infrastructure to facilitate and nurture small and medium sized enterprises.

Market Entry Strategy

[Return to top](#)

- U.S. businesses should build personal relationships with local representatives and customers through regular visits or establishing resident representation.

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 2: Political and Economic Environment

For background information on the political and economic environment of the country, please click on the link below to the U.S. Department of State Background Notes.

<http://www.state.gov/r/pa/ei/bgn/2700.htm>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 3: Selling U.S. Products and Services

- [Using an Agent or Distributor](#)
- [Establishing an Office](#)
- [Joint Ventures/Licensing](#)
- [Selling to the Government](#)
- [Distribution and Sales Channels](#)
- [Electronic Commerce](#)
- [Trade Promotion and Advertising](#)
- [Protecting Your Intellectual Property](#)
- [Due Diligence](#)
- [Local Professional Services](#)
- [Web Resources](#)

Using an Agent or Distributor

[Return to top](#)

Personal relationships are important in Brunei and US businesses may find a reputable local agent/distributor worthwhile. The individual should be thoroughly familiar with local business customs and high government officials. The Commercial Section of the U.S. Embassy provides services that can help U.S. businesses locate an appropriate agent/distributor.

Establishing an Office

[Return to top](#)

Business may be established in Brunei as sole proprietorships, partnerships, and branches of a foreign company. Generally, U.S. companies operating in Brunei must either register as a branch of a foreign company or incorporate as a Brunei limited company. Should an American business wish to incorporate in Brunei, at least half the directors in the company must be citizens or permanent residents of Brunei Darussalam.

While no central system exists to help locate foreign and domestic partners, the Ministry of Industry and Primary Resources (MIPR) and Economic Planning and Development Department can informally announce a company's interest in finding an agent, distributor, or partner through its business channels.

Joint Ventures/Licensing

[Return to top](#)

A joint venture may take the form of a corporation or partnership. Several factors, including the nature of the project, would determine which type of joint venture is appropriate. In a corporate joint venture, the owners have limited liability whereas in a partnership joint venture, the partners have unlimited liability. If the parties to a partnership joint venture are corporations, then liability is limited to that of the participating corporations.

Obtaining a business license depends on a number of factors, and can be time consuming. Check the following website for more information: www.agc.gov.bn/client_new.htm. Information on Businesses and Companies Registration and Guidelines is contained in the Government of Brunei publication the "Business and Investment Guide". A copy of it can be obtained from the Promotion and Entrepreneurial Development Division, Ministry of Industry and Primary Resources, 3rd Floor, Jalan Menteri Besar, Bandar Seri Begawan BB3910, Brunei Darussalam. The telephone number is 673-2380026, fax: 673-2382835, email: mariani.sabtu@industry.gov.bn or visit the website at www.industry.gov.bn.

Even without a physical presence in Brunei, companies generally need a license to do business here. One exception would be if the products are marketed door to door by a local sales person.

One does not need a Bruneian citizen representative to do business commercially or when selling directly to the government.

Selling to the Government

[Return to top](#)

Royal Brunei Technical Services Sdn Bhd (RBTS) is the only authorized agent of the Royal Brunei Armed Forces and national security services to procure military equipment and ammunition. RBTS is a wholly owned company of His Majesty's Government. The contact is the Chief Executive Officer of Royal Brunei Technical Services at 5th Floor, Setia Kenangan Office Block, Setia Kenangan Complex, Kg. Kiulap, Bandar Seri Begawan BE1518, Tel: (673)-2242700, Fax: (673)-2244797. The military services and police may procure non-lethal equipment directly.

For non-security related products, U.S. businesses may deal directly with individual government departments or ministries.

The Brunei Government advertises its tenders in Malay on the Pelita Brunei. The website for Pelita Brunei is <http://www.pelitabrunei.gov.bn/>. Otherwise visit the Prime Minister's Office (PMO) website at <http://www.pmo.gov.bn> and search for tender notices.

Distribution and Sales Channels

[Return to top](#)

Brunei currently does not have any specific legislation pertaining to distribution agreements. Any contracts made between entities will be governed by the laws described in Contracts Act (Chapter 106 of the Laws of Brunei) and Unfair Contract Terms Act (Chapter 171 of the Laws of Brunei), which deal with contract law in general. The Sale of Goods Act (Chapter 170 of the Laws of Brunei) would apply to any contract for the sale of goods.

The authority for Info-Communications Technology Industry of Brunei Darussalam (AiTi) was established in 2003 to administer the regulatory function and development of the Info-Communications industry in the Sultanate.

The Brunei Darussalam Information Technology Council is an agency responsible for leading and facilitating the strategic development and diffusion of ICT to the economy and nation as well as to guide Brunei in harnessing IT to its fullest potential for national prosperity.

Brunei aims to establish itself as the cyber hub of the region, and under the 9th National Development Plan (NDP), the government plans to continue enhancing telecommunications infrastructure as well as the integration of ICT/on-line services. As with past NDPs, ongoing training will be provided in the government's efforts to enhance human and institutional capacity building.

The usage of ICT will be widened to create an electronic system for the government, or e-government, in which networks between ministries and departments, government and the private sector and the public, will be established to transform a paper-based procedural system into an electronic system. This will enable the provision of services and governance processing using an online-system for the creation of civil services that are more efficient, effective and responsive.

About 199 projects involving B\$526.0 million are being allocated under the e-government drive. As of January 2008 around 128 e-Government projects have been awarded.

All e-Government projects have to go through the open tender process, by which the 'Invitation to tender' for a project will be advertised on the local government weekly Brunei Pelita and optionally in any other newspapers. The website is <http://www.pelitabrunei.gov.bn/>.

U.S. businesses may contact individual government Ministry's Chief Information Officer (CIO) for more details of their respective IS/IT Plans. Visit the e-government website at www.e-government.gov.bn or www.brunei.gov.bn.

For telecommunications projects, U.S. businesses may contact Ministry of Communications (www.mincom.gov.bn), Authority for Info-Communications Industry (AiTi) (www.aiti.gov.bn), Syarikat Telekom Brunei Berhad (TelBru) (www.telbru.com.bn), DataStream Technology Sdn Bhd (DST) (www.dst-group.com), B-mobile Communications Sdn Bhd (www.bmobile.com.bn).

For Broadcasting projects, U.S. businesses may contact Radio Television Brunei (RTB) (www.rtb.gov.bn) under the Prime Minister's Office and DST.

U.S. businesses may also contact Brunei Economic Development Board (BEDB) (www.bedb.com.bn) for more details on IT Investment at its IT incubation center (<http://www.icentre.biz/>)

The two English-language local newspapers are the Borneo Bulletin (<http://www.brunei-online.com/bb/>) and the Brunei Times (<http://www.bt.com.bn/en/>). The only local newspaper in the official language, Malay, is Media Permata (<http://www.brunei-online.com/mp/>). All three newspapers have extensive circulation. Daily newspapers in English, Malay and Chinese from neighboring countries of Malaysia and Singapore are also widely read.

Local advertising companies and promotion service agencies are also available.

Introduction

Several general principles are important for effective management of intellectual property ("IP") rights in Brunei Darussalam. First, it is important to have an overall strategy to protect your IP. Second, IP is protected differently in Brunei Darussalam than in the U.S. Third, rights must be registered and enforced in Brunei Darussalam, under local laws. Your U.S. trademark and patent registrations will not protect you in Brunei Darussalam. There is no such thing as an "international copyright" that will automatically protect an author's writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country. However, most countries do offer copyright protection to foreign works under certain conditions, and these conditions have been greatly simplified by international copyright treaties and conventions.

Registration of patents and trademarks is on a first-in-time, first-in-right basis, so you should consider applying for trademark and patent protection even before selling your products or services in the Brunei Darussalam market. It is vital that companies understand that intellectual property is primarily a private right and that the US government generally cannot enforce rights for private individuals in Brunei Darussalam. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Brunei Darussalam law. The U.S. Commercial Service can provide a list of local lawyers upon request [If this list is available on embassy website, hyperlink here].

While the U.S. Government stands ready to assist, there is little we can do if the rights holders have not taken these fundamental steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on a mistaken belief that the USG can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in

prosecuting a law suit. In no instance should U.S. Government advice be seen as a substitute for the obligation of a rights holder to promptly pursue its case.

It is always advisable to conduct due diligence on potential partners. Negotiate from the position of your partner and give your partner clear incentives to honor the contract. A good partner is an important ally in protecting IP rights. Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Brunei Darussalam require constant attention. Work with legal counsel familiar with Brunei Darussalam laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions.

It is also recommended that small and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both Brunei Darussalam or U.S.-based. These include:

- The U.S. Chamber and local American Chambers of Commerce
- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO)

IP Resources

A wealth of information on protecting IP is freely available to U.S. rights holders. Some excellent resources for companies regarding intellectual property include the following:

- For information about patent, trademark, or copyright issues -- including enforcement issues in the US and other countries -- call the STOP! Hotline: **1-866-999-HALT** or register at www.StopFakes.gov.
- For more information about registering trademarks and patents (both in the U.S. as well as in foreign countries), contact the US Patent and Trademark Office (USPTO) at: **1-800-786-9199**.
- For more information about registering for copyright protection in the US, contact the US Copyright Office at: **1-202-707-5959**.
- For more information about how to evaluate, protect, and enforce intellectual property rights and how these rights may be important for businesses, a free online training program is available at www.stopfakes.gov.
- For US small and medium-size companies, the Department of Commerce offers a "SME IP Advisory Program" available through the American Bar Association that provides one hour of free IP legal advice for companies with concerns in Brazil, China, Egypt, India, Russia, and . For details and to register, visit: http://www.abanet.org/intlaw/intlproj/iprprogram_consultation.html

- For information on obtaining and enforcing intellectual property rights and market-specific IP Toolkits visit: www.StopFakes.gov. This site is linked to the USPTO website for registering trademarks and patents (both in the U.S. as well as in foreign countries), the U.S. Customs & Border Protection website to record registered trademarks and copyrighted works (to assist customs in blocking imports of IP-infringing products) and allows you to register for Webinars on protecting IP.
- The U.S. Commerce Department has positioned IP attachés in key markets around the world. You can get contact information for the IP attaché who covers Brunei Darussalam at: Jennifer.Ness@mail.doc.gov.

IPR Climate in Brunei Darussalam

Trademarks can be registered with relative ease under the Brunei Trademarks Act. Once registered trademarks last ten years and are renewable for ten more years. Enforcement requires direct copyright holder action. Pirated and fake goods originating in neighboring countries are widely sold. There is no specific legislation for copyright protection, but U.K. legislation would apply where necessary.

Brunei's local IPR law is TRIPS-consistent. However, the law is complaint based. The Criminal Justice Division at the Attorney General's Chambers will only rarely take action against pirates or stores that sell pirated discs on its own initiative. The copyright holder must appeal / take action with the government, which then begins enforcement actions.

Under the Emergency Order (Copyright) 1999, Section 204, anyone who is caught infringing copyright, selling, smuggling or distributing goods, except for personal use and domestic purposes, is liable to a fine, an imprisonment for a period not exceeding two years, or both. In practice, prosecutions are rare.

Further information can be obtained from the Attorney General's Chambers Office. The website is www.agc.gov.bn. Copies of the U.S. Embassy IPR Toolkit can be downloaded at: http://brunei.usembassy.gov/ipr_toolkit.html.

Due Diligence

[Return to top](#)

The Attorney General's Chambers maintains registration of companies and projects ongoing in Brunei. Anyone considering doing business in Brunei is urged to conduct their own due diligence. Most law firms and accountancies offer due diligence services as well. A list of attorneys can be obtained at <http://www.judicial.gov.bn> and a list of the accountants can be found below.

The U.S. Commercial Service also offers the International Company Profile (ICP) service to U.S. companies interested in evaluating potential business partners overseas.

Local Professional Services

[Return to top](#)

Attorneys: <http://www.judicial.gov.bn>

Accountants:

- Deloitte & Touche
P O Box 1965 Bandar Seri Begawan BS8673
22 & 23 Jalan Sultan
5th Floor Wisma Hajah Fatimah
Bandar Seri Begawan
Brunei Darussalam
Tel: (673) 2223640, 2225880
Fax: (673) 2223360
E-mail: deloitte@brunet.bn
Website: <http://www.deloitte.com>
- Ernst & Young
P O Box 2162 Bandar Seri Begawan BS8674
Rm 408B, 4th Flr Wisma Jaya
Jalan Pemancha
Bandar Seri Begawan
Brunei Darussalam
Tel: (673) 2239139, 2239140, 2239141
Fax: (673) 2239142
E-mail: ey@brunet.bn
Website: <http://www.ey.com>
(Public accountants: Mr. James Low, Mr. Lim Teck Guan)
- Idealin Secretarial Services
22 2nd Floor, Bangunan Hj Awg Matusin H A & Hj Abdullah H M Adik-Beradik
Bandar Seri Begawan
Brunei Darussalam
Tel: 673-2220916
Fax: 673-2237051
(Corporate Secretarial Services)
- K N Wong & Associates
Unit 2, 2nd Floor, Blk D Shakrin Complex
Kg. Kiulap, Bandar Seri Begawan
Brunei Darussalam
Tel: 673-2237020
Fax: 673-2237051
(Accountancy/Tax Services, Business Proposals, Corporate Secretarial Services)
- KPMG
P O Box 2988 Bandar Seri Begawan BS8675
Unit 402-403A Wisma Jaya
Jalan Pemancha
Bandar Seri Begawan
Brunei Darussalam
Tel: 673-2228382, 2226888
Fax: 673-2228389

E-mail: kpmg@brunet.bn
(Accountants)

- LedgerPlus Services
Block D, Unit 8, 1st Floor, Shakirin Complex
Spg. 88, Kg. Kiulap
Bandar Seri Begawan BE1518
Brunei Darussalam
Tel: (673) 2230620
Fax: (673) 2230621
E-mail: ledgerplus@brunet.bn
- Lee & Raman
P O Box 1192, Gadong, Bandar Seri Begawan BE3978
Unit 19, 1st Flr, Blk I, Kompleks Abd Razak
Gadong, Bandar Seri Begawan
Brunei Darussalam
Tel: (673) 2449611, 2430963
Fax: (673) 2430330
E-mail: leeandraman@brunet.bn
(Public Accountants)
or
P O Box 502 Bandar Seri Begawan BS8671
Email: lr@brunet.bn
B7, 1st Flr, Blk B, Shakirin Complex
Kiulap
Tel: 673-2237905 /6
Fax: 673-2237907
(Retired Partner: Mr. Lee Nyuk Tsong, Partner: Ms. Lee Yun Chin)
- Lee Corporatehouse Associates
P.O. Box 1628, Bandar Seri Begawan BS8673
11, 1st Flr, Regent Square
Kiulap
Bandar Seri Begawan
Brunei Darussalam
Tel: (673) 2223341
Fax: (673) 2242402
E-mail: lca@brunet.bn

P O Box 290, Kuala Belait KA1189
S7, 2nd Flr, HSBC Chambers
Jalan McKerron
Kuala Belait
Brunei Darussalam
Tel: (673) 3331406
Fax: (673) 3331407
- PriceWaterhouseCoopers Advisory Services Sdn Bhd
P O Box 2843, Bandar Seri Begawan BS8673

No. 1, 14th Floor, Wisma Setia, Jalan Pemancha
Bandar Seri Begawan
Brunei Darussalam
Tel: (673) 2243572
Fax: (673) 3331407
(Public Accountants. Chairman: Mr. Lee Kin Chee; Partner: Mr. Lee Kim Yan,
Mr. Suresh Marimuthu.)

- Sylvester Leong & Co
P.O. Box 522, Kuala Belait KA1131
15 1st Floor Lot 7191
Kg Pandan
Kuala Belait
Brunei Darussalam
Tel: (673) 3336589
(Chartered Public Accountants)
- Top Business Management & Consultancy Services
No. 12, 1st Flr, Spg 618, Aman Complex
Kg. Bunut, Jln Tutong bf1382
Brunei Darussalam
Tel: (673) 2656685 / 2650682
Fax: (673) 2656685
E-mail: tbmc@brunet.bn
- WKA and Associates
Unit 8-10, 3rd Floor, Badiah Building, Km 2.5 Jalan Tutong
Bandar Seri Begawan BA2111
Brunei Darussalam
Tel: (673) 2222542
Fax: (673) 2222543
E-mail: wka@brunet.bn

Web Resources

[Return to top](#)

Ministry of Industry and Primary Resources: www.industry.gov.bn
Brunei Economic Development Board: www.bedb.com.bn
Attorney General's Chambers: www.agc.gov.bn

[Return to table of contents](#)

Chapter 4: Leading Sectors for U.S. Export and Investment

- [Agricultural Sector](#)

U.S. agricultural products have found a small but solid market with Brunei's affluent population. The Agricultural Trade Office in Singapore works closely with the U.S. Embassy in Brunei to assist U.S. exporters of agricultural goods entering the Brunei market.

Commercial Sectors

- [Construction \(CON\)](#)
- [Tourism \(TRA\)](#)
- [Aviation \(AVS\)](#)
- [Glass Production](#)
- [Oil and Gas \(OGS\)](#)
- [Military Equipment \(DFN\)](#)
- [Franchising \(FRA\)](#)
- [Opportunities](#)
- [Web Resources](#)

Overview

[Return to top](#)

Given a small domestic market, the best opportunities for investment are export oriented projects that take advantage of Brunei's proximity to larger markets in Indonesia, Malaysia, Singapore and Philippines. As Brunei diversifies its economy, U.S. firms have an opportunity to move into the market for investment and services. Recent studies by international consultancies have suggested the feasibility of investment in tourism, financial services, and aircraft maintenance services, in addition to extensive port and industrial projects proposed by the Brunei Economic Development Board (BEDB). (see above) Brunei has created a free trade zones at Muara Port to encourage foreign investment in non-energy related industries.

The best opportunities for foreign investment and operations exist in the following sectors:

Construction (CON)

[Return to top](#)

Government buildings, shopping complexes, shop houses and private housing form the bulk of the construction market. The Government's policy is to award construction work wherever possible to local firms, meaning that foreign firms will have to form joint venture with or subcontract to a local firm in order to participate in most infrastructure projects. Proposed expansion of the Brunei International Airport, construction of a Mega Port at Pulau Muara Besar, and the ongoing development of an industrial park at Sungai Liang, will likely require extensive international expertise.

Tourism (TRA)

[Return to top](#)

Brunei boasts substantial primary rainforests that could form the basis of an enlarged eco-tourism industry. Brunei's capital has an overcapacity of hotel rooms but rainforest areas remain underserved. Other opportunities exist for development of medical, sports, and luxury tourism.

Aviation (AVS)

[Return to top](#)

Under the National Development Plan 2007-2012, the government plans on the expansion and development of the Brunei International Airport into a regional air hub for passenger and cargo traffic. A master plan for the Airport has been completed and is awaiting implementation. The expansion may include new passenger and cargo terminals, aircraft parking aprons and other additional facilities. Immediate and short term plans for the airport include the installation of a primary surveillance radar and instrument landing system, as well as other new facilities to enhance air navigation services. Increased security facilities are also being looked into.

The national carrier, Royal Brunei Airlines (RBA), is the middle phase of implementing its strategic plan, which includes the acquisition of new aircraft.

Glass Production

[Return to top](#)

Brunei has large silica reserves that can be used for the production of crystal and glass. Given the sultanate's inexpensive utilities, this may still be an attractive sector for U.S. businesses.

Oil and Gas (OGS/OGM)

[Return to top](#)

Continuing opportunities exist for U.S. companies to sell oil and gas equipment and services to Brunei Shell Petroleum (BSP), the predominant private company in Brunei, which makes large purchases of such equipment. BSP currently produces around 190,000 bbls/day of oil. BSP is a significant employer of expatriate expert staff. In 2008, Brunei Liquefied Natural Gas (BLNG)'s natural gas production reached 1.2 billion cubic feet per day. TOTAL, operator of the Block B Joint Venture (BBJV), contributes 13% of Brunei's gas production and produces approximately 28,500 bbls of oil a day.

In August 2006, Brunei announced the award of two onshore blocks, Block L and Block M for oil and gas exploration and production. PetroleumBRUNEI is the block owner and regulator of both blocks. Block L was contracted to an operation consortium consisting of Nations Petroleum, QAF Brunei and Kulczyk Oil Ventures, whereas , and Block M was contracted to Tap Energy (Borneo) Pty Ltd, China Sino Oil Co Ltd, Triton Borneo Ltd and Jana Corporation Sdn Bhd. Both firms are conducting extensive exploratory work including seismic and other services through 2010. Opportunities exist for U.S. companies to sell equipment and services to both firms through local representatives / distributors.

Defense Industry Equipment (DFN)

[Return to top](#)

For more information on procurement opportunities, contact the Office of the Defense Cooperation located at the U.S. Embassy in Singapore, Tel: (65) 6476-9379, Fax: (65) 6476-9483 or the Chief Executive of Royal Brunei Technical Services at 5th Floor, Setia Kenangan Office Block, Setia Kenangan Complex, Kg. Kiulap, Bandar Seri Begawan BE1518, Tel: (673)-2242700, Fax: (673)-2244797. Military services may procure non-lethal equipment directly.

Brunei has Guess, Body Shop, McDonald's, Pizza Hut, Kentucky Fried Chicken, and Dairy Queen franchises. Bruneians have a high per capita disposable income and welcome quality foods and products. U.S. food products are eligible for import to Brunei if they can meet the standards imposed by the Ministry of Religious Affairs and the Ministry of Health.

Opportunities[Return to top](#)

For more information on investment incentives as well as these particular projects, potential investors should contact the Brunei Economic Development Board and the Ministry of Industry and Primary Resources, whose contact information can be found in Chapter 9 of this guide. Additionally, the Brunei government operates two investment companies that seek collaboration with foreign businesses operating in Brunei:

- Semaun Holdings Sdn. Bhd.
Unit 10, Block B, Simpang 322
Warisan Mata-Mata Complex, Kampong Mata-Mata
Gadong, Bandar Seri Begawan BE1718
Tel: 673-2456064/5/6
Fax: 673-2456070
Email: semaun@brunet.bn
Website: <http://www.semaun.gov.bn>

A private limited company acting as the investment and trading arm of the Government of Brunei, Semaun Holdings welcomes foreign participation in business, trading and commercial enterprises including agriculture, fishery forestry, industrial, and mining activities. It operates through wholly owned companies, joint ventures and equity participation.

- Brunei Industrial Development Authority (BINA)
Km 8, Jalan Gadong
Bandar Seri Begawan BE1118
Tel: 673-2444100
Fax: 673-2423300
Email: bruneibina@brunet.bn
Website: <http://www.bina.gov.bn>

BINA is under the Ministry of Industry and Primary Resources. BINA's objective is to promote industrial development and good infrastructure, and it's a one-stop agency for permits.

- Brunei Investment Agency
Bangunan Kementerian Kewangan
Commonwealth Drive (Simpang 295), Jalan Kebangsaan BB3910

Tel: 673-2383535
Fax: 673-2383539
E-mail: cla@bia.com.bn

Brunei Investment Agency
Hotel Meurice
228 Rue de Revoli
75001 Paris, France
Tel: 33-1-426-12396

Established in 1973 to manage the Government's international reserves, the Brunei Investment Agency (BIA) maintains a geographically diverse portfolio of bond, equity, currency, gold, and real estate investments, including significant investments in the United States. BIA also owns several companies in Brunei.

Web Resources

[Return to top](#)

Brunei Economic Development Board: www.bedb.com.bn

Ministry of Industry and Primary Resources:

- Promotion and Entrepreneurial Development Division: www.industry.gov.bn
- Department of Agriculture: www.agriculture.gov.bn
- Brunei Industrial Development Authority: www.bina.gov.bn
- Fisheries Department: www.fisheries.gov.bn
- Forestry Department: www.forestry.gov.bn

Ministry of Religious Affairs: <http://www.religious-affairs.gov.bn/>

Food / food produce

The Brunei government has encouraged domestic agricultural production in recent years, yielding small quantities of rice, vegetables, fruits, buffaloes, cattle, goats, and chicken broilers and eggs. Despite advances in domestic production, however, Brunei still imports more than 80% of its food and consumer products and these sectors therefore remain important potential markets for American exporters. For specific inquiries about entering these markets, contact the Foreign Agricultural Service at the U.S. Embassy in Singapore. The contact information for Mr. Bernard Kong by telephone 65-6476 9120, fax: 65-6476 9517, email at bernard.kong@usda.gov and website at <http://www.fas.usda.gov>.

Fishing Industry / Aquaculture

Brunei has one of the world's highest per capita fish consumption rates in the region (approximately 99 pounds per year) and imports about 50% of its fish requirements. Aquaculture fish farming is developing in Brunei. In January 2007, a U.S. firm contracted with the Government of Brunei to advise in a major expansion of shrimp/prawn aquaculture production and marketing. For more details on fisheries in Brunei Darussalam, contact: Fisheries Department, Ministry of Industry and Primary Resources, Jalan Mentiri Besar, Bandar Seri Begawan, Brunei Darussalam. Tel: (673)-2382067/8, Fax: (673)-2382069, website : <http://www.fisheries.gov.bn/>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 5: Trade Regulations and Standards

- [Import Tariffs](#)
- [Trade Barriers](#)
- [Import Requirements and Documentation](#)
- [U.S. Export Controls](#)
- [Temporary Entry](#)
- [Labeling and Marking Requirements](#)
- [Prohibited and Restricted Imports](#)
- [Customs Regulations and Contact Information](#)
- [Standards](#)
- [Trade Agreements](#)
- [Web Resources](#)

Import Tariffs

[Return to top](#)

Brunei generally has very low tariffs. In 2005, the average tariff rate for most favored nations was 2%. The Asia Pacific Economic Cooperation (APEC) online database lists 932 tariff rates for Brunei: <http://www.apectariff.org/tdb.cgi/ff3235/apeccgi.cgi?BN>.

In general, basic foodstuffs and goods for industrial use are exempted from import duties. As of January 1, 2008, customs import duty on cars is abolished. All cars are levied excise duties at 20%, except for heavy vehicles, which are taxed at 15%. There is no tax on computers and peripherals. Other consumer products such as perfume, cosmetics, clothes, carpets, shoes, jewelry, office equipment, telephones, television sets, lamps, cameras, etc., are taxed at 5 percent. The Association of Southeast Asian Nations (ASEAN) online data on tariff and duty rates for Brunei: <http://www.aseansec.org/14270.htm>.

Trade Barriers

[Return to top](#)

The World Trade Organization has made available its analysis of Brunei's trade policies online: http://www.wto.org/english/tratop_e/tp165_e.htm

Import Requirements and Documentation

[Return to top](#)

The import of all goods into the country is monitored by The Royal Customs and Excise Department. Importers must register with the port of entry. Determination of classification of duty is based in the Customs Import Duty Order (Revised) 2004.

Completed Customs Declaration Forms have to be submitted together with supporting documentation such as invoice, freight and insurance slips, airwaybill and packing list. Additional documentation that may be required include certificate of origin and analysis, Approval Permit (A.P.), import license and other documentation as deemed necessary by the Customs and Excise Department.

Further information can be obtained from:

Royal Customs & Excise Department
Ministry of Finance
Tel : 673-2382333
Fax : 673-2382666
Website : www.mof.gov.bn/mof/en/departments/rced.

The Department of Health Services under the Ministry of Health ensures food imported and distributed in Brunei is safe for human consumption. Food importers are required to comply with the Public Health Order (Food), 1998, Public Health (Food) (Amendment) Order 2002 and its Regulations 2000. Food importers are required to comply with the provisions of the said food legislations and import requirements. Importers are required to submit the customs declaration form together with the relevant export health certificates from the countries of origin

Other requirements include provision of Hazard Analysis Critical Control Point (HACCP) certificate, samples of all items to be imported to Brunei, list of all the ingredients and additives used and other valid documentation or certification as determined by the Ministry of Health. Food products imported are mainly 'halal', for the consumption of the majority Muslim population. Halal food cannot contain alcohol or derivatives from non-halal animals.

Processed food imports must be registered and must identify additives' origin under Regulation 9, Public Health (Food) Regulation, 2000.

Further information can be obtained from:

Food Safety and Quality Control Division
Department of Health Services
Environmental Health Service
Ministry of Health
Tel : 673-2331100
Fax: 673-2331107
Website : www.moh.gov.bn.

U.S. Export Controls

[Return to top](#)

Companies wanting to export controlled items to Brunei must apply for licenses from the appropriate government agencies in the United States. The Bureau of Industry and Security (BIS) is responsible for implementing and enforcing the Export Administration Regulations (EAR). Certain specialized exports are regulated by other U.S. government

agencies. A list of agencies involved in export controls can be found at www.bis.doc.gov.

Temporary Entry

[Return to top](#)

Brunei has not adopted the ATA Carnet Convention but allows temporary entry of commodities for demonstration, exhibition and trade samples for a duration of three months. Instructions are available at the Royal Customs and Excise website: <http://www.mof.gov.bn/English/RCE/customservices/Pages/TemporaryImport.aspx>.

Labeling and Marking Requirements

[Return to top](#)

(Under the Public Health Order (Food), 1998, Public Health (Food) (Amendment) Order 2002 and its Regulations 2000, all food imported into the country must bear a label containing information such as list of ingredients, expiry date and details of the local importer, distributor or agent. The print for the expiry dates must not be less than three millimeter in height. Information on food label is required to be labeled in a prominent and conspicuous position on the package.

Importation of food products (25 categories that require date markings) including food supplements are subject to “set requirements” as outlined by the Public Health (Food) Regulation 2000 and are required to registered with the Food Quality and Safety Control Division, Environmental Health Services, Department of Health Services. Health supplements that contain ingredients which can be used therapeutically or contain any medical claims are required to be referred to the Department of Pharmaceutical Services, Ministry of Health for clearance.

Detailed information on the food labeling requirements can be obtained from:

Food Safety and Quality Control Division
Department of Health Services
Environmental Health Service
Ministry of Health
Tel : 673-2331100
Fax : 673-2331107
Website : www.moh.gov.bn.

Prohibited and Restricted Imports

[Return to top](#)

Brunei imposes restrictions / prohibitions on the import of certain goods under the Customs Order 2006 (Section 31). Details of restricted /prohibited goods are available from:

Royal Customs & Excise Department

Ministry of Finance

Tel : 673-2382333

Fax : 673-2382666

Webpage :

<http://www.mof.gov.bn/mof/en/departments/rced/customsproc/prohibition+and+restriction/>.

Importers for “halal” meat and food products need prior approval from the Ministry of Religious Affairs.. Prior to approval, inspection of the foreign plant facilities will be carried out by two officers from the Religious Affairs Department. Importers have to pay for the trip. Currently only selected approved plants from Australia, Malaysia and India are accredited to supply halal beef.

Brunei imports live cattle from the state owned cattle farm located in Northern Australia for slaughter locally. Brunei claims to be 90% self sufficient for poultry production. Halal certification for poultry is issued on strict compliance with slaughter methods set by the Ministry of Religious Affairs.

Importation of alcoholic beverages has been prohibited since 1991. Pork is consumed only by non-Muslims. There is no production of pork in Brunei. Brunei imports fresh and frozen pork from neighboring Malaysian state of Sarawak.

The Halal Certificate and Halal Label Order 2005 covers the issuance of Halal Certificate and Halal Labels on processed food, separation of food storage and business premises such as restaurants and others.

The contact for Halal issue:

The Secretary

Board for Issuing Halal Import Permits

Ministry of Religious Affairs

Jalan Elizabeth II

Bandar Seri Begawan BS8510

Brunei Darussalam

Tel: 673-2242565 / 6

Fax: 673-2223106

Website: http://www.religious-affairs.gov.bn/index.php?ch=bm_service&pg=bm_service_halhar

Customs Regulations and Contact Information

[Return to top](#)

Royal Customs & Excise Department

Ministry of Finance

Jalan Menteri Besar

Bandar Seri Begawan BB3910

Tel : 673-2382333

Fax : 673-2382666

Website : www.mof.gov.bn/mof/en/departments/rced

Free Trade Zone

Brunei has established a Free Trade Zone on Muara Port (Muara Export Zone), and plans another FTZ at Sungai Liang.

The Muara Export Zone (MEZ) was established to develop Brunei as a trade hub for the region. Managed by the Ports Authority, the MEZ offers attractive rates on monthly warehouse rent and container movement and handling, and customs procedures from the MEZ to Muara Port.

Further information on the MEZ can be obtained from:

Director of Ports (Commercial and Marketing Division)

Ports Department

Muara BT1728

Tel : 673-2770222

Fax : 673-2770283 / 2770625

E-mail : ports@brunet.bn

Website : http://www.ports.gov.bn/en/muara_export/index.html

Standards

[Return to top](#)

- [Overview](#)
- [Standards Organizations](#)
- [Conformity Assessment](#)

Overview

[Return to top](#)

The construction industry in Brunei uses metric system. Further information on Piawaian (Standards) Brunei Darussalam (PBD) can be obtained from:

Construction Planning and Research Unit

Ministry of Development

Old Airport Complex, Berakas BB3510

Brunei Darussalam

Standards Organizations

[Return to top](#)

The Ministry of Development prefers ISO 9000 for contracting jobs. A list of ISO 9000 certified companies in Brunei is available at the Ministry of Development's webpage :

http://www.mod.gov.bn/index.php?option=com_content&view=article&id=163&Itemid=3 (in local language – Malay) or contact the Ministry of Development at:

Ministry of Development

Old Airport Complex, Berakas BB3510

Brunei Darussalam
Tel: +6732383222 Fax: +6732380298
email:info@mod.gov.bn

NIST Notify U.S. Service

Member countries of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to report to the WTO all proposed technical regulations that could affect trade with other Member countries. **Notify U.S.** is a free, web-based e-mail subscription service that offers an opportunity to review and comment on proposed foreign technical regulations that can affect your access to international markets. Register online at Internet URL: <http://www.nist.gov/notifyus/>

Conformity Assessment

[Return to top](#)

Conformity Assessment Procedure is available at:

http://www.mod.gov.bn/index.php?option=com_content&view=article&id=163&Itemid=3 (in local language – Malay) or contact the Ministry of Development at:

Ministry of Development
Old Airport Complex, Berakas BB3510
Brunei Darussalam
Tel: +6732383222 Fax: +6732380298
email:info@mod.gov.bn

Trade Agreements

[Return to top](#)

Brunei is a member of the ASEAN, APEC, WTO, BIMP-EAGA (Brunei Darussalam, Indonesia, Malaysia & the Philippines-East Asean Growth Area) and the Multilateral Agreement on the Liberalization of International Air Transportation (MALIAT). In addition to trade liberalization regimes under ASEAN, Brunei is party to a multilateral free trade agreement with Singapore, New Zealand and Chile known as Trans-Pacific Strategic Economic Partnership Agreement. In January 2008, the United States announced that it would join in negotiations on the services and investment chapters of the Trans-Pacific Strategic Economic Partnership Agreement as it explores participating in this trade agreement. .

Web Resources

[Return to top](#)

Ministry of Development: www.mod.gov.bn
Royal Customs and Excise Department: www.mof.gov.bn/mof/en/departments/rced

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 6: Investment Climate

- [Openness to Foreign Investment](#)
- [Conversion and Transfer Policies](#)
- [Expropriation and Compensation](#)
- [Dispute Settlement](#)
- [Performance Requirements and Incentives](#)
- [Right to Private Ownership and Establishment](#)
- [Protection of Property Rights](#)
- [Transparency of Regulatory System](#)
- [Competition from State Owned Enterprises](#)
- [Political Violence](#)
- [Corruption](#)
- [Bilateral Investment Agreements](#)
- [Labor](#)
- [Web Resources](#)

Openness to Foreign Investment

[Return to top](#)

Brunei offers generous tax incentives to foreign investors, with the production of foreign goods and services benefiting from indefinite tax holidays. The Investment Incentives Order 2001, provides guidelines for granting pioneer status to certain industries and tax relief for foreign and local investment, as well as the possibility of extending tax relief periods.

Regulations relating to foreign participation in equity are flexible. In many instances there can be 100 percent foreign ownership, except for sectors involving natural resources and national food security, where FDI is capped at 70 percent equity.

Only citizens of the country are allowed to purchase land. Foreign firms will need a local partner to purchase land. Foreign firms can apply for a long term lease but must obtain approval from the Prime Minister's Office.

The Strata Title Act was introduced in July 2009, which allows non-citizens to own properties on a 99 years lease. The Strata Act only applies to properties more than two stories high as well as townhouses.

Conversion and Transfer Policies

[Return to top](#)

There are no foreign exchange controls but exchanges are monitored. Banks permit non-resident accounts. There is no restriction on borrowing by non-residents.

Expropriation and Compensation

[Return to top](#)

There is no history of expropriation in Brunei.

Dispute Settlement

[Return to top](#)

Brunei signed the U.N.-sponsored Convention on the Settlement of Investment Disputes in 2002. At the regional level, Brunei Darussalam is a member of the ASEAN Protocol on Enhanced Dispute Settlement Mechanism (2004), and the Agreement among the Government of Brunei Darussalam, Indonesia, Malaysia, Philippines, Singapore and Thailand for the Promotion and Protection of Investment, 1987. The former regulates settlement of disputes on economic agreements between ASEAN Members and the latter provides for the promotion and protection of investments, which includes settlement of related disputes. The International Arbitration Order was enacted in 2009 but has yet to be ratified and legally enforced. The court system is generally transparent and fair.

Performance Requirements and Incentives

[Return to top](#)

Companies producing goods and services for export can apply for a renewable 10-year tax exemption. A corporate tax relief, of up to 5 years, is available for companies that invest between B\$500,000 to B\$2.5 million (USD357,000 to USD1.9million) and up to 8 years for amounts exceeding B\$2.5million (USD1.9 million) in approved ventures. An 11-year tax break is offered if the venture is located in a high-tech industrial park. Businesses wishing to compete in domestic markets can qualify for up to eight-year tax holidays. Sole proprietorships and partnerships are not subject to tax. Individuals do not pay any capital gains tax and profits arising from the sale of capital assets are not taxable. Brunei has a double-taxation agreement with Britain, Indonesia, China, Singapore, Vietnam, Bahrain, Oman, Japan and Pakistan. Tax on petroleum operations is codified in the 1960 Income Tax enactment containing a similar tax policy to most oil-producing nations.

Right to Private Ownership and Establishment

[Return to top](#)

All businesses in Brunei must be registered with the Registrar of Companies, Attorney General's Chambers. Except for sole proprietorships, foreign investors can fully own incorporated companies, foreign company branches or representative offices. Partnerships generally require the participation of local citizens.

Protection of Property Rights

[Return to top](#)

Trademarks can be registered with relative ease under the Brunei Trademarks Act. Once registered trademarks last ten years and are renewable for ten more years. Enforcement requires direct copyright holder action.

Brunei's local IPR law is TRIPS-consistent. However, the law is complaint based. The Criminal Justice Division at the Attorney General's Chambers (AGC) rarely takes action against pirates or stores that sell pirated discs on its own initiative. The rightholder must appeal / take action with the government, which then begins enforcement actions.

Under the Emergency Order (Copyright) 1999, Section 204, anyone who is caught infringing copyright, selling, smuggling or distributing goods, except for personal use and domestic purposes, is liable to a fine, an imprisonment for a period not exceeding two years, or both. However, pirated and fake goods originating in neighboring countries are widely sold due to a perceived lack of rightholder's complaints. In 2009, music piracy was significantly reduced, but movie and software entertainment piracy is still rampant.

Brunei Darussalam is a full-fledged member of the Paris Convention, the Berne Convention, the WTO-TRIPS and the World Intellectual Property Organization (WIPO). It has also signed the ASEAN Framework Agreement on Intellectual Property Cooperation.

Further information can be obtained from the Attorney General's Chambers Office. The website is www.agc.gov.bn. Copies of the U.S. Embassy IPR Toolkit can be downloaded at : http://brunei.usembassy.gov/ipr_toolkit.html

Transparency of Regulatory System

[Return to top](#)

Brunei has a transparent regulatory system.

Competition from State Owned Enterprises

[Return to top](#)

Semaun Holdings, incorporated as a private limited company, is wholly owned by the Brunei Government. Its emphasis is on joint ventures with foreign investors, mainly in aquaculture, food processing, glass crystal and hi-tech manufacturing industries which are currently not open for 100% foreign ownership.

Under the Telecommunications Order 2001, the Authority for Info-communications Technology Industry (AiTi) regulates the licensing of the telecommunications industry. The establishment, installation, maintenance, provision or operation of unlicensed telecommunication systems or services within Brunei is a punishable offence, resulting in imprisonment and large fines. AiTi has not opened up the telecommunications industry for foreign participation. The telecommunications industry is dominated by

Telekom Brunei (TelBru) and Data Stream Technologies (DST) Communications, both privatised state companies. Telbru is the sole provider of fixed lines. Its subsidiary company, B-mobile, provides 3G mobile services together with DST. DST is also the sole GSM and pay-television service provider.

The Brunei Investment Agency (BIA) manages the Government of Brunei's General Reserve Fund, and their external assets. Established in 1983, its assets are reportedly worth USD\$30 billion. It has holdings in corporations, real estate, & currencies. BIA's activities are not publicly disclosed. It is ranked the lowest in transparency ratings by the The Sovereign Wealth Fund Institute.

Political Violence

[Return to top](#)

There have been no cases of political violence in Brunei's 26 years of independence.

Corruption

[Return to top](#)

Corruption, including bribery, raises the costs and risks of doing business. Corruption has a corrosive impact on both market opportunities overseas for U.S. companies and the broader business climate. It also deters international investment, stifles economic growth and development, distorts prices, and undermines the rule of law.

It is important for U.S. companies, irrespective of their size, to assess the business climate in the relevant market in which they will be operating or investing, and to have an effective compliance program or measures to prevent and detect corruption, including foreign bribery. U.S. individuals and firms operating or investing in foreign markets should take the time to become familiar with the relevant anticorruption laws of both the foreign country and the United States in order to properly comply with them, and where appropriate, they should seek the advice of legal counsel.

The U.S. Government seeks to level the global playing field for U.S. businesses by encouraging other countries to take steps to criminalize their own companies' acts of corruption, including bribery of foreign public officials, by requiring them to uphold their obligations under relevant international conventions. A U. S. firm that believes a competitor is seeking to use bribery of a foreign public official to secure a contract should bring this to the attention of appropriate U.S. agencies, as noted below.

U.S. Foreign Corrupt Practices Act: In 1977, the United States enacted the Foreign Corrupt Practices Act (FCPA), which makes it unlawful for a U.S. person, and certain foreign issuers of securities, to make a corrupt payment to foreign public officials for the purpose of obtaining or retaining business for or with, or directing business to, any person. The FCPA also applies to foreign firms and persons who take any act in furtherance of such a corrupt payment while in the United States. For more detailed information on the FCPA, see the FCPA Lay-Person's Guide at: <http://www.justice.gov/criminal/fraud/docs/dojdocb.html>.

Other Instruments: It is U.S. Government policy to promote good governance, including host country implementation and enforcement of anti-corruption laws and policies pursuant to their obligations under international agreements. Since enactment of the FCPA, the United States has been instrumental to the expansion of the international framework to fight corruption. Several significant components of this framework are the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions (OECD Antibribery Convention), the United Nations Convention against Corruption (UN Convention), the Inter-American Convention against Corruption (OAS Convention), the Council of Europe Criminal and Civil Law Conventions, and a growing list of U.S. free trade agreements. This country is party to [add instrument to which this country is party], but generally all countries prohibit the bribery and solicitation of their public officials.

The Anti-Corruption Bureau (ACB) strives to ensure a corruption-free public service. Corrupt practices are punishable under the Prevention of Corruption Act. The Act also applies to Brunei citizens abroad. There are perceptions that corruption in the private sector is higher compared to the public sector, which has prompted the ACB to focus on the private sector, seeing that the sector plays a critical role in Brunei's economic diversification.

In its inaugural entry into the Transparency International's Corruption Perception Index (CPI) 2009, Brunei is ranked 39th out of 180 countries, and 2nd in ASEAN. Having scored 5.5 out of 10 CPI points, the ACB vows to continue its efforts towards combating corruption.

Bilateral Investment Agreements

[Return to top](#)

Brunei is a member of the Association of Southeast Asian Nations (ASEAN), which has FTAs with Australia and New Zealand, China, India and South Korea, and a Comprehensive Economic Partnership Agreement with Japan. Brunei is also a party to the Transpacific Strategic Economic Partnership Agreement. Brunei currently has Bilateral Investment Treaties with Oman, Germany, China, Korea and Ukraine.

Labor

[Return to top](#)

Brunei relies heavily on foreign labor in lower-skill and/or lower-paying positions, with approximately 87,800 guest workers brought in to fulfill specific contracts. Brunei citizens often prefer to work for the government rather than the private sector because of better benefits such as bonuses, education allowance, interest-free loans, housing allowance and other benefits. Approximately 25% of the total workforce are employed in the public sector.

Matters relating to labor conditions are covered under the Labor Act, Employment Order 2009 and Workmen's Compensation Act.

Ministry of Finance: www.mof.gov.bn

Ministry of Industry and Primary Resources: www.industry.gov.bn

Brunei Economic Development Board: www.bedb.com.bn

Department of Economic Planning and Development: www.depd.gov.bn

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 7: Trade and Project Financing

- [How Do I Get Paid \(Methods of Payment\)](#)
- [How Does the Banking System Operate](#)
- [Foreign-Exchange Controls](#)
- [U.S. Banks and Local Correspondent Banks](#)
- [Project Financing](#)
- [Web Resources](#)

How Do I Get Paid (Methods of Payment)

[Return to top](#)

Brunei's banking system offers a full range of export finance instruments, including letters of credit and drafts.

How Does the Banking System Operate

[Return to top](#)

Although small, Brunei's banking system is reliable and well monitored by the Ministry of Finance, which also oversees the Department of Financial Services (Treasury), the Brunei Currency and Monetary Board (BCMB) and the Brunei Investment Agency. There is no central bank. The Brunei International Financial Centre (BIFC) is a quasi-independent branch of the Ministry of Finance created to help develop Brunei's conventional and Islamic banking sectors.

Foreign-Exchange Controls

[Return to top](#)

There is no restriction on foreign exchange. Banks permit non-resident accounts and there is no restriction on borrowing by non-residents.

U.S. Banks and Local Correspondent Banks

[Return to top](#)

The only U.S. bank operating in Brunei is Citibank, located at 12-15 Bangunan Darussalam, Jalan Sultan, Bandar Seri Begawan BS8811, Brunei Darussalam. In addition, there are five other foreign commercial banks operating in Brunei: the Hong Kong and Shanghai Banking Corporation (HSBC), Standard Chartered Bank, Malayan Banking Berhad, United Overseas Bank Ltd. and RHB Bank Berhad, with full banking services and branches throughout the country. The locally incorporated banks include the Bank Islam Brunei Darussalam Berhad (BIBD), and Baiduri Bank Berhad (a partnership of BNP Paribas). Tabung Amanah Islam Brunei (TAIB) is a locally

incorporated trust fund offering Islamic banking services. Six foreign banks are registered as offshore financial institutions.

Project Financing

[Return to top](#)

The government actively encourages foreign investment and its Semaun Holdings arm also finances projects within the country. For further information, refer to the investment section of this guide in Chapter 4. Loan guarantees, insurance, and project financing from the Export-Import Bank of the United States, OPIC, and IFIS are unlikely given Brunei's affluence.

Although there is a 20 percent withholding tax for interest paid to non-resident lenders, the government grants tax exemptions for the purchase of productive equipment in the amount of at least B\$200,000.

Web Resources

[Return to top](#)

Export-Import Bank of the United States: <http://www.exim.gov>

Country Limitation Schedule: http://www.exim.gov/tools/country/country_limits.html

OPIC: <http://www.opic.gov>

Trade and Development Agency: <http://www.tda.gov/>

SBA's Office of International Trade: <http://www.sba.gov/oit/>

USDA Commodity Credit Corporation: <http://www.fsa.usda.gov/cc/default.htm>

U.S. Agency for International Development: <http://www.usaid.gov>

Ministry of Finance: <http://www.mof.gov.bn/>

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 8: Business Travel

- [Business Customs](#)
- [Travel Advisory](#)
- [Visa Requirements](#)
- [Telecommunications](#)
- [Transportation](#)
- [Language](#)
- [Health](#)
- [Local Time, Business Hours and Holidays](#)
- [Temporary Entry of Materials and Personal Belongings](#)

Business Customs

[Return to top](#)

Introductions and connections are important and necessary in status-conscious Brunei. Relationship building precedes business negotiations and brokering deals can sometimes require several visits. Handshakes are common among male businessmen. Muslim women prefer not to shake hands with men, so don't be offended if a woman does not wish to shake hands.

When invited to dinner, the host will be offended if the guest offers to pay the dinner tab: Shoes should be removed before entering a private home. Avoid passing in front of a seated person or pointing with the index finger; Bruneians point with their thumbs with their hands clenched. Yellow is a royal-designated color and should not be worn in the presence of royalty.

The visitor to Brunei will find restaurants to fit all budgets and tastes. Malaysian, Indian, Chinese, and Western food are all ubiquitous. Tipping is not customary in Brunei. Large hotels and restaurants add a 10 percent service charge to the bill. Alcohol is not available for purchase in Brunei although some restaurants may allow customers to discretely bring in their own wine and beer. Muslims generally will not offer or accept alcoholic beverages.

Travel Advisory

[Return to top](#)

Brunei has a warm, humid climate year-round but most places of business are well air-conditioned. The Department of State advises travelers to view its travel advisory site at <http://travel.state.gov> for latest updates. Brunei Darussalam's official website offers tourism, government, business, and other information, and can be accessed at <http://www.jpm.gov.bn/>. Within the sultanate, information center at the airport and

downtown can provide maps and tourist services. Travel agencies are located throughout the capital.

Visa Requirements

[Return to top](#)

Business visitors and tourists from the United States do not need visas for visits of up to 90 days. Renewals and residency permits are routine and simple.

Brunei citizens are eligible to participate in the U.S. Visa Waiver Program allowing travel to the U.S. without visa for short business trips.

U.S. Companies that require travel of foreign business persons to the United States should be advised that security options are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/index.html>

United States Visas.gov: <http://www.unitedstatesvisas.gov/>

Embassy website: <http://brunei.usembassy.gov>

Telecommunications

[Return to top](#)

Brunei has one of the best telecommunication systems in South-East Asia and has major plans for improving it further. There are three operators providing telecommunications services in Brunei. They are Syarikat Telekom Brunei Berhad (TelBru), DST Communications (DSTCom) and B-mobile Communications Sdn Bhd.

TelBru (www.telbru.com.bn) provides fixed line. DST (www.dst-group.com) provides GSM and 3-G. B-mobile (www.bmobile.com.bn) provides 3G. Internet Service Providers are TelBru and DST. TelBru is called BruNet (www.brunet.bn) and DST is known as Simpurnet (<http://www.simpurnet.bn/>).

Transportation

[Return to top](#)

The international airport is a fifteen-minute drive from downtown Bandar Seri Begawan, the capital (a B\$25 taxi ride). Additionally, taxi and bus services serves the capital and the outskirts although the bus has limited hours of operation. Air-conditioned buses frequently travel to Muara, Kuala Belait, Seria and Tutong. Rental cars and drivers can be hired with ease at competitive rates.

Language

[Return to top](#)

Most of the population speaks English. English menus and signs are common. Additionally, the bulk of the population speaks Malay, and the Chinese community (15% of the total population) generally speaks Mandarin and the Hokkien dialect.

When in doubt, Sir, Mr., Mrs. and Ms. can be used without fear of insult. Should U.S. businesses wish to follow local custom, Bruneian males can be called Awang, and women, Dayang. These titles roughly correspond to Mr. and Ms.

Additionally, Dato and Pehin are the two principal titles bestowed by the Sultan. Dato is a state honorary medal conferred by the Sultan, and may be bestowed on anyone the Sultan wishes to honor, regardless of nationality. The female equivalent to Dato is Datin, as is the wife of a Dato. Dato is roughly the equivalent to Sir in Britain. Pehin is a conferred honorary title generally associated with an official position within the royal court.

Pengiran refers to a Bruneian of royal descent. A daughter or son of a Pengiran is also a Pengiran. At the highest end of the scale is the title Pengiran Anak, denoting Bruneians closely related to the Sultan's family.

Health

[Return to top](#)

Brunei offers all its citizens free and modern health care. Most doctors speak English, many having studied in the United States and Europe. In the most extreme cases, emergency transportation to Singapore by airplane is possible, though expensive.

Local Time, Business Hours, and Holidays

[Return to top](#)

Government offices are open for business from 7:45 am to 12:15 pm and from 1:30 pm to 4:30 pm in the afternoon Monday – Thursday and Saturday and are closed on Fridays and Sundays. Most shopping centers are open daily from 10 am to 10 pm, including Sundays. Private offices generally work from 8 am to 5 pm on weekdays and from 8 am to 12 noon on Saturdays. Banks generally operate on these hours as well. Most have ATM's and can exchange foreign currency. Citibank in Bandar Seri Begawan has two ATM's available 24 hours a day that are connected to the major American ATM networks.

Official Holidays 2010 U.S. Embassy, Bandar Seri Begawan

<u>Date</u>	<u>Day</u>	<u>Holiday</u>	<u>Observance</u>
Jan 01	Fri	New Year 2010	American

Jan 18	Mon	Martin Luther King's Birthday	American
Feb 14	Sun	Chinese New Year	Bruneian
Feb 15	Mon	Washington Birthday	American
Feb 23	Tue	Brunei National Day	Bruneian
Feb 26	Fri	Prophet Muhammad's Birthday	Bruneian
May 31	Mon	Memorial Day	American
July 04	Sun	Independence Day	American
July 10	Sat	Israk Me'raj**	Bruneian
July 15	Thur	HM Sultan's Birthday	Bruneian
Aug 11	Wed	1st Day Ramadhan**	Bruneian
Aug 27	Fri	Nuzul Al-Quran **	Bruneian
Sept 06	Mon	Labor Day	American
Sept 10	Fri	Hari Raya Aidilfitri**	Bruneian
Sept 11	Sat	Hari Raya Aidilfitri**	Bruneian
Oct 11	Mon	Columbus Day	American
Nov 11	Thur	Veterans Day	American
Nov 16	Tue	Hari Raya Aidiladha**	Bruneian
Nov 25	Thur	Thanksgiving Day	American
Dec 7	Tue	1st Day Hijrah 1432	Bruneian
Dec 25	Sat	Christmas Day	American

** Actual Holiday Subject to Sighting of the Moon

Temporary Entry of Materials and Personal Belongings

[Return to top](#)

There is no sales tax in Brunei. Arriving passengers over 17 years old are eligible to import 200 cigarettes or 250 grams of tobacco, 60 ml of perfume and 250 ml of toilet water. Non-Muslims at least 17 years old may bring in up to two bottles of liquor or wine and 12 cans of beer for personal consumption, but these goods must be declared to customs upon entry.

A B\$12 (US\$8) airport departure tax must be paid upon departure.

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 9: Contacts, Market Research, and Trade Events

- [Contacts](#)
- [Market Research](#)
- [Trade Events](#)

Contacts

[Return to top](#)

Government Agencies:

Attorney General Chamber

www.agc.gov.bn

Ministry Of Foreign Affairs and Trade

www.mfa.gov.bn

Trade Associations/Chamber of Commerce:

Chinese Chamber of Commerce & Industry

Tel: 673-223 5494

Fax: 673-223 5492

E-mail: ccc@brunet.bn

Brunei Malay Chamber of Commerce & Industry

Tel: 673-242 1840

Fax: 673-242 1839

E-mail: mccibd_dppmb@yahoo.com

Brunei Darussalam International Chamber of Commerce & Industry

Tel: 673-222 8382

Fax: 673-222 8389

E-mail: kpmg@brunet.bn

Federation of Brunei Malay Entrepreneurs

Tel: 673-887 6788

Market Research

[Return to top](#)

Market research has traditionally not been conducted in Brunei Darussalam although international consultancies have recently conducted competitiveness and feasibility studies.

To view market research reports produced by the U.S. Commercial Service please go to the following website: <http://www.export.gov/marketresearch.html> and click on Country and Industry Market Reports.

Please note that these reports are only available to U.S. citizens and U.S. companies. Registration to the site is required, but free of charge.

Trade Events

[Return to top](#)

Please click on the link below for information on upcoming trade events.

<http://www.export.gov/tradeevents.html>

While the sultanate hosts only a few trade fairs, the region boasts events relating to most all industries. Major Brunei International Trade Exhibitions for 2010 are listed below.

INTERNATIONAL HALAL PRODUCTS EXPO 2009 (IPHE2009)

Date: June 3-6, 2009

Venue: Brunei International Convention Centre

Contact: Sunlit Advertising , Lot 71, Beribi Light Industrial Estate, Phase II, Gadong BE1118

Jason Tee, Project Manager or Vivian Choo, Project Executive, Tel: 673-2453666/2452577/8720253/8710091, Fax: 673-2453777, 2452595

E-mail: sales@sunlitadvertising.com

[Return to table of contents](#)

[Return to table of contents](#)

Chapter 10: Guide to Our Services

The U.S. Commercial Service offers customized solutions to help your business enter and succeed in markets worldwide. Our global network of trade specialists will work one-on-one with you through every step of the exporting process, helping you to:

- Target the best markets with our world-class research
- Promote your products and services to qualified buyers
- Meet the best distributors and agents for your products and services
- Overcome potential challenges or trade barriers

For more information on the services the U.S. Commercial Service offers U.S. businesses, please click on the link below.

(Insert link to Products and Services section of local buyusa.gov website here.)

[Return to table of contents](#)

U.S. exporters seeking general export information/assistance or country-specific commercial information should consult with their nearest **Export Assistance Center** or the **U.S. Department of Commerce's Trade Information Center** at **(800) USA-TRADE**, or go to the following website: <http://www.export.gov>

To the best of our knowledge, the information contained in this report is accurate as of the date published. However, **The Department of Commerce** does not take responsibility for actions readers may take based on the information contained herein. Readers should always conduct their own due diligence before entering into business ventures or other commercial arrangements. **The Department of Commerce** can assist companies in these endeavors.